

34282/46.

FERGUSON & MENZIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR

YEAR ENDED 31ST MARCH 1980

AND

BALANCE SHEET

AS AT THAT DATE

PEACOCK & HENRY C.A.
111 UNION STREET
GLASGOW G1 3SS

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FERGUSON & MENZIES LIMITED

(Registered in Scotland - Registered No. 34282)

The Directors have pleasure in submitting their Annual Report and the Audited Accounts for the year ended 31st March 1980.

1. DIRECTORS

The Directors as at 31st March 1980 are:-

Mrs Jane A Donald	(Chairman)
Mr Peter F. Bridle	(Managing Director)
Mr Alan A.W. Waddell	
Mr J. Trevor White	

The Director due to retire by rotation at this time is Mr J. Trevor White, but being eligible, offers himself for re-election.

The Directors of the Company have the following interest in the shares of the Company.

	<u>At Date of Appended</u> <u>Balance Sheet</u>		<u>As at 1st April</u> <u>1979</u>	
	<u>Beneficial</u>	<u>As Trustee</u>	<u>Beneficial</u>	<u>As Trustee</u>
Mrs Jane A. Donald	6,000	54,000	6,000	54,000
Mr A.A.W. Waddell	Nil	51,000	Nil	51,000
Mr P.F. Bridle	Nil	Nil	Nil	Nil
Mr J.T. White	Nil	Nil	Nil	Nil

2. BUSINESS ACTIVITIES

The principal activities of the Company during the financial year have been dealers and distributors of Oils, Resins and Chemical Products, Manufacturers of Foundry Core Binders and allied Chemical Products. There have been no significant changes in the activities of the Company during the financial year.

3. FIXED ASSETS

The Market Value of the Land and Buildings shown in the Balance Sheet at £23,277 is considered to be in excess of this figure.

4. FINANCE

The Profits for the year to 31st March 1980 were	£179,789
<u>Deduct:</u> Taxation - including transfer to Deferred Taxation Reserve (52.4%)	94,240
Leaving Profits after Taxation	£ 85,549
<u>Deduct:</u> Proposed Dividends for year to 31st March 1980 of 76.6p per share - amount payable	46,000
	£ 39,549
<u>Add:</u> Balance brought forward from previous year	359,057
Transferred from Deferred Tax Account	90,344
	£488,950
<u>Less:</u> Transferred to Stock Reserve	40,000
<u>Total Undistributed Profits at 31st March 1980</u>	<u>£448,950</u>

FERGUSON & MENZIES LIMITED

DIRECTORS REPORT (CONTINUED)

4. FINANCE (Continued)

The Directors consider that the state of the Company's affairs at the date of the Balance Sheet is satisfactory.

5. EMPLOYEES

The Company employed an average of less than one hundred employees during the year.

6. EXPORTS

The total amount of exports for the year under review was £128,830 (1979 - £82,368).

7. AUDITORS

In accordance with Section 14 of the Companies Act 1976, a Resolution proposing the re-appointment of Messrs Peacock & Henry C.A., as Auditors of the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

J.T. WHITE

SECRETARY

312 Broomloan Road
GLASGOW G51 2JW

12th January 1981

PROFIT AND LOSS ACCOUNT

62,257	<u>Directors Remuneration & Pensions etc (Note 1)</u>	£102,382
7,840	<u>Depreciation (Note 2)</u>	9,739
3,061	<u>Audit and Accountancy Fee</u>	3,463
279	<u>Bank Overdraft Interest</u>	297
247	<u>Other Interest Paid (Gross)</u>	-
120,544	<u>Net Profit subject to taxation, carried to Appropriation Account</u>	179,789
<u>194,228</u>		<u>£295,679</u>
	<u>Taxation on Profits for Year (Note 5)</u>	
7,394	Advanced Corporation Tax	£ 13,115
<u>43,400</u>	Provision for Corporation Tax on Profits	<u>59,000</u>
50,794		72,115
19,300	<u>Transferred to Deferred Taxation Reserve (Note 5)</u>	33,795
<u>50,450</u>	<u>Profit for Year after taxation provisions</u>	<u>74,253</u>
<u>120,544</u>		<u>£180,163</u>
	<u>Dividend (Note 4)</u>	
30,600	Proposed dividend for year ended 31st March 1980	£ 46,000
-	<u>Transfer to Stock Reserve (Note 7)</u>	40,000
<u>19,850</u>	<u>Balance of Unappropriated Profits carried down</u>	<u>78,597</u>
<u>50,450</u>		<u>£164,597</u>
<u>359,057</u>	<u>Balance carried to Balance Sheet</u>	<u>437,655</u>
<u>359,057</u>		<u>£437,655</u>

FOR YEAR ENDED 31ST MARCH 1980

167,708	<u>Net Trading Profit for Year</u>	£248,959
26,520	<u>Interest Received - Gross</u>	46,160
-	<u>Profit on sale of assets</u>	551

<u>194,228</u>		<u>£295,670</u>
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120,544	<u>Net Profit for year subject to taxation</u>	£179,789
-	Overprovision for taxation in previous year	374

<u>120,544</u>		<u>£180,163</u>
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50,450	<u>Profit for Year</u> after taxation provisions	£ 74,253
-	Transferred from Deferred Taxation Reserve (Note 6)	90,344

<u>50,450</u>		<u>£164,597</u>
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19,850	<u>Unappropriated profit for year brought down</u>	£ 78,597
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339,207	<u>Balance brought forward from last year</u>	359,058
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<u>359,057</u>		<u>£437,655</u>
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Capital and ReservesCapitalAuthorised & Issued

60,000		60,000 Shares of £1 each fully paid		£ 60,000
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Reserves (Note 5)

	5,612	General	£ 5,612	
5,612	<u>-</u>	Stock	<u>40,000</u>	45,612

Profit & Loss Account

359,057		Balance at credit		437,655
<u>424,669</u>				<u>£543,267</u>

Deferred Taxation (Note 7)

207,933		Balance as at 31st March 1979	£223,395	
19,300		Add : Transferred from Profit & Loss Account	<u>33,795</u>	
<u>227,233</u>			£257,190	
223,395	3,838	Less: Transferred to Profit & Loss Account	<u>90,344</u>	166,846

Current Liabilities

28,059		Bank Overdraft (Note 8)	£ 93,187	
409,097		Trade Creditors	597,770	
70,715		Sundry Creditors & Accruals	180,008	
19,000		Loan Director (Note 9)	19,000	
51,930		Current Taxation (Note 10)	72,115	
609,401	30,600	Proposed Dividend - year to 31.3.80 (Amount payable)	<u>46,000</u>	1,008,080
<u>1,257,465</u>				<u>£1,718,193</u>

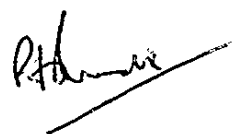
AS AT 31ST MARCH 1980

		<u>Fixed Assets (Note 1)</u>	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
	23,581	Land & Buildings	£ 23,885	£ 608	£ 23,277
	8,755	Motor Vehicles	20,673	9,099	11,574
	2,367	Furniture & Fittings -London	3,631	1,501	2,130
0	35,789	Plant & Machinery- Glasgow	65,640	19,546	46,094
	70,492		<u>£113,829</u>	<u>£30,754</u>	£ 83,075
2	637	<u>Lease Outlays - 14 Park Parade Acton, London W3 9DB (Note 2)</u>			535
15 - 17	6,973	<u>United Kingdom Provident Institution (Note 3)</u> Life Assurance Policy Premiums (Market Value as at 31.3.80 £9,182)			8,135
		<u>Current Assets</u>			
	509,897	Stock in Trade (Note 4)		£587,080	
	2,777	Stock of Drums, Containers etc.		1,778	
	545,410	Sundry Debtors & Prepayments		782,817	
	121,000	Cash at Bank & On Deposit		254,757	
46	1,179,363	279 Cash on Hand		16	1,626,448
180 - 193 =	<u>1,237,465</u>				<u>£1,718,193</u>

J.A. DONALD

Jane A. Donald

P.F. BRIDLE



NOTES ACCOMPANYING PROFIT & LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 19801. Directors Remuneration

	<u>1980</u>	<u>1979</u>
Amounts for services as Directors	£ 58,000	£ 38,875
Paid to provide Directors pensions	44,382	23,382
	<u>£102,382</u>	<u>£ 62,257</u>
Chairman	£ 13,531	£ 13,531
Highest paid Director	31,295	16,212
<u>Other Directors:-</u>		
Nil to £2,500	1	1
Exceeding £7,500 but not £10,000	-	1
Exceeding £12,501 but not £15,000	1	-

2. Declaration

Depreciation is calculated to enable the cost of Fixed Assets to be written off over their useful lives by reducing balance method, or by equal annual instalments.

In accordance with Statement of Standard Accounting Practice No. 12 depreciation is now being written off the Buildings by equal annual instalments over the estimated useful life.

3. Turnover

The turnover for the year to 31st March 1980 was £3,340,046 (1979 - £2,991,573) of which £128,830 (1979 - £82,368) was for exports. The turnover is based on the value of goods sold to customers in the ordinary course of business.

4. Dividends

	<u>1980</u>	<u>1979</u>
Proposed dividend of 85.18p per Share (1979 - 51p)	£ 46,000	£ 30,600

The proposed dividend for the year ended 31st March 1980 of 85.15p per share is payable on 54,000 Shares.

5. Taxation

Taxation payable for the year amounts to £59,115 being Corporation Tax on the profits of £46,000 and advanced Corporation Tax payable of £13,115 on the dividend paid for the year to 31st March 1979. A further sum of £35,500 has been transferred to Deferred Taxation Account in respect of tax deferred by accelerated capital allowances and stock relief.

6. The transfer from Deferred Tax Account is the tax deferred for the two years to 31st March 1974 and 1975 (less "clawback" for the year to 31st March 1976) which under the terms of Schedule 3 of the Finance Act No 2 1979 is not now liable to recovery and is no longer a contingent liability on the Company.

7. A transfer of £40,000 has been made to a stock reserve as a reserve against the fall in this year's stock values in future years caused by market fluctuation.

The Notes on this page form part of the Accounts.

1. SCHEDULE OF FIXED ASSETS

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
<u>Land and Buildings</u>			
As per Balance Sheet 31. 3. 79	£23,885	£ 304	£23,581
<u>Less:</u> Depreciation for year	-	304	304
As per Balance Sheet 31. 3. 80	£23,885	£ 608	£23,277

Motor Vehicles

As per Balance Sheet 31. 3. 79	£17,502	£ 8,747	£ 8,755
<u>Less:</u> Sold during year	5,247	3,386	1,861
	£12,255	£ 5,361	£ 6,894
<u>Add:</u> Additions during year	8,418	-	8,418
	£20,673	£ 5,361	£15,312
<u>Less:</u> Depreciation for year	-	3,738	3,738
As per Balance Sheet 31. 3. 80	£20,673	£ 9,099	£11,574

Furniture & Fittings - London

As per Balance Sheet 31. 3. 79	£ 3,631	£ 1,264	£ 2,367
<u>Less:</u> Depreciation for year	-	237	237
As per Balance Sheet 31. 3. 80	£ 3,631	£ 1,501	£ 2,130

Plant & Machinery - Glasgow

As per Balance Sheet 31. 3. 79	£49,978	£14,189	£35,789
<u>Add:</u> Additions during year	15,662	-	15,662
	£65,640	£14,189	£51,451
<u>Less:</u> Depreciation for year	-	5,357	5,357
As per Balance Sheet 31. 3. 80	£65,640	£19,546	£46,094

2. LEASE OUTLAYS - LONDON

As per Balance Sheet 31. 3. 79	£ 1,561	£ 924	£ 637
<u>Less:</u> Depreciation for year	-	102	102
As per Balance Sheet 31. 3. 80	£ 1,561	£ 1,026	£ 535

3. UNITED KINGDOM PROVIDENT INSTITUTION

This is an Assurance Policy taken out by the Company on the life of Mr Peter Frederick Bridle, Managing Director of the Company. The sum assured is £20,000 with Profits and the last premium is due on 1. 2. 94.

4. STOCK IN TRADE

The Stock in Trade is valued at cost less 15%.

5. RESERVES

There was no change in the General Reserve during the year, but £10,000 was transferred from the Profit & Loss Account to a Stock Reserve as explained in Note 7 to the Profit & Loss Account.

(Continued

NOTES ON BALANCE SHEET

AS AT 31ST MARCH 1980

(CONTINUED)

6. Capital Commitments

There are no commitments for Capital Expenditure at the end of the year under review (1979 - Nil).

7. Deferred Taxation - £166,846

This provision is made for Deferred Taxation arising from the excess of allowances for taxation purposes over provisions for depreciation of the relevant Fixed Assets and also for the effect of Corporation Tax Relief for the increase in stock value. The provision using the liability method for taxation is calculated at 52%.

As tax relief for increased stock values in 1974 and 1975 is no longer a liability the amount of the tax deferred for these years amounting to £90,344 has been transferred back to Profit & Loss Account (see Note 6 to Profit & Loss Account).

The deferments are due to:-

	<u>1980</u>	<u>1979</u>
Accelerated capital allowances	£ 24,684	£ 19,300
Stock Relief	142,162	204,095
	<u>£166,846</u>	<u>£223,395</u>

8. The Royal Bank of Scotland Limited hold a Bond of Cash credit for £100,000 secured by Floating Charge registered 8th March 1967.

9. Directors Loan

	<u>1980</u>	<u>1979</u>
As at 31st March 1979	£ 19,000	£ 22,000
<u>Less:</u> Repaid during year	-	3,000
As at 31st March 1980	<u>£ 19,000</u>	<u>£ 19,000</u>

10. Provision for Taxation (Included in Current Liabilities)

	<u>1980</u>	<u>1979</u>
Advance Corporation Tax payable	£ 13,115	£ 7,394
Corporation Tax due 1st January 1981	59,000	47,238
	<u>£ 72,115</u>	<u>£ 54,632</u>
<u>Less:</u> Advance Corporation Tax repayable	-	2,702
	<u>£ 72,115</u>	<u>£ 51,930</u>

Corporation Tax has been charged at 52% (52%) on the profit for the year ended 31st March 1980.

The Notes on this Page form part of the Accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDSYEAR ENDED 31ST MARCH 1980

<u>Source of Funds</u>	<u>1980</u>	<u>1979</u>
<u>Profit before Tax</u>	£179,789	£120,544
<u>Adjustments for Items not involving the Movement of Funds</u>		
Depreciation	9,739	7,840
<u>Funds from other Sources</u>		
Disposal of Fixed Assets - Net Balance Sheet Value	1,861	-
<u>Total Generated from Operations</u>	£191,389	£128,384
<u>Application of Funds</u>		
Dividend Paid	£ 30,600	(15,012)
Tax Paid	51,556	(4,130)
Purchase of Fixed Assets	24,080	(30,818)
Purchase of other Assets	1,162	(1,162)
	<u>107,398</u>	<u>(51,122)</u>
<u>Surplus for Year</u>	£ 83,991	£ 77,262
<u>Represented by:-</u>		
<u>Increase/Decrease in Working Capital</u>		
Increase(Decrease) in Stocks	76,184	(6,565)
Increase(Decrease) in Debtors	237,407	35,941
(Increase) Decrease in Creditors	(297,966)	280,730
<u>Movement in Net Liquid Funds</u>		
<u>Increase/(Decrease) in</u>		
Cash Balance	(65,391)	(3,844)
Short Term Investments	133,757	(229,000)
	<u>68,366</u>	<u>(225,156)</u>
	<u>£ 83,991</u>	<u>£ 77,262</u>

REPORT OF THE AUDITORS

TO THE MEMBERS OF FERGUSON & MENZIES LIMITED

We have examined the foregoing Balance Sheet and Profit & Loss Account and Notes thereon on Pages 4 to 13. These have been prepared under the historical cost convention.

In our opinion, these Accounts give, under the accounting convention stated above, a true and fair view of the Statement of Source & Application of Funds and the state of affairs of the Company as at 31st March 1980, and of the Profit for the year ended on that date, and comply with the Companies Acts 1948 and 1967.

PEACOCK & HENRY, C.A.,

AUDITORS

111 Union Street
GLASGOW G1 3SS
12th January 1981